

HOUSE BILL No. 1153

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-2.5-5-51.

Synopsis: Sales and use tax exemption. Provides for a sales and use tax exemption that applies to construction materials used in the construction and final build-out of a building that will be located on a former military base in Indiana. Establishes a process for a redevelopment commission or military base reuse authority to apply to the Indiana economic development corporation (IEDC) for approval of the building to be constructed and the granting of the exemption. Provides that the application must be received by the IEDC before July 1, 2026, to be considered. Establishes standards for a building to qualify. Provides that the IEDC has discretion in determining whether to approve an exemption application and the items that will be covered by the exemption.

Effective: July 1, 2016.

Friend, Morrison

January 7, 2016, read first time and referred to Committee on Ways and Means.



Second Regular Session of the 119th General Assembly (2016)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2015 Regular Session of the General Assembly.

HOUSE BILL No. 1153

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-2.5-5-51 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2016]: **Sec. 51. (a) The following definitions apply throughout**
4 **this section:**

5 (1) "Exempt item" means tangible personal property that:
6 (A) is to be used in the construction and equipping of a
7 qualified building; and
8 (B) has been approved by the IEDC for a tax exemption
9 under this section.

10 (2) "IEDC" refers to the Indiana economic development
11 corporation established by IC 5-28-3-1.

12 (3) "Military base property" has the meaning set forth in
13 IC 36-7-30-1.

14 (b) A reuse authority formed under IC 36-7-30 or a
15 redevelopment commission formed under IC 36-7-14.5-12.5 may
16 apply to the IEDC for approval to receive an entity and use based
17 exemption certificate that may be used to purchase an exempt item,



or items, for the final build-out of a building. The application must be received by the IEDC before July 1, 2026, to be considered. To be approved as a qualified building, the applicant must demonstrate, and the IEDC must find, that the proposed building will:

- (1) be located on military base property;
- (2) be constructed by a contractor or contractors that are predominantly engaged in the construction business and that do business primarily in Indiana;
- (3) be constructed in accordance with the terms and conditions established by the reuse authority or the redevelopment commission;
- (4) have floor space of at least forty thousand (40,000) square feet; and
- (5) have a ceiling height of at least thirty (30) feet throughout the building, except for any area designed to be office space.

The applicant shall provide as part of the application a detailed list of the items that will be purchased to complete the shell and core construction phase of the qualified building and a detailed list of the items that will be purchased during the final construction phase of the qualified building for occupancy.

(c) The IEDC may exercise its judgment and discretion in determining whether to approve the granting of an exemption certificate under this section and the items that will be covered by the certificate for the qualified building. If the IEDC approves an application for an exemption certificate under this section, the IEDC shall issue an approval letter to the applicant. The approval letter must:

- (1) name the applicant;
- (2) name the approved contractors of the applicant that will use the exemption certificate;
- (3) identify the qualified building's location; and
- (4) include as an exhibit the list of exempt items for each construction phase of the qualified building.

The IEDC shall forward a copy of its approval letter and all exhibits to the department.

(d) Upon receiving the IEDC's approval letter, the department shall issue an exemption certificate to the applicant that may be used by the applicant and the approved contractors that are specifically listed in the approval letter. The applicant and the approved contractors may use the exemption certificate to purchase for a qualified building the exempt items listed in the



1 exhibit included in the approval letter by presenting to the seller
2 the exemption certificate in accordance with the requirements of
3 the department.

4 (e) Only one (1) exemption certificate granted under this section
5 may be in effect at a particular military base property.

